



NEWS RELEASE

Tennessee Regulatory Authority

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15-Year Natural Gas Pipe Replacement Program Completed

Nashville, Tennessee – Nashville Gas Company has completed a 15-year natural gas distribution integrity management plan. Through development and completion of a cast iron and bare steel replacement program, Nashville Gas Company identified potential risks to the integrity of the distribution system then formulated and followed a plan of action to eliminate or diminish those risks with a comprehensive pipe replacement program.

This action was taken in 1990 prior to the National Transportation Safety Board (NTSB) October 11, 1991, alert notice stating that natural gas operators should have a program to identify and replace cast iron systems that threaten public safety. This notice was prompted by incidents in the northeastern United States involving failures in cast iron pipe transporting natural gas.

The Tennessee Regulatory Authority (TRA) Gas Pipeline Safety Division (GPSD) requested that Nashville Gas Company (NGC) and parent company Piedmont Natural Gas (PNG) submit a plan of action for complying with the Minimum Federal Safety Standards relative to cast iron pipe.

NGC notified the GPSD on September 23, 2005, that replacement of all cast iron and bare steel pipe was complete. The program included the replacement of approximately 375 miles of cast iron and steel pipe mains and approximately 254 miles of service line. This work was accomplished at a total program cost of approximately 62 million dollars.

The federal Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA) is presently considering ways to enhance the integrity of natural gas distribution pipeline systems. The distribution integrity management program will include risk assessment and threat management. Nashville Gas Company's success in completing this cast iron and bare steel replacement program is a notable accomplishment toward the distribution integrity management goal – safe, reliable natural gas for everyone.

The TRA is currently reviewing other natural gas distribution system cast iron and bare steel replacement programs. There are six other operators with cast iron pipe still in their system.

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